FAZARUDDIN IBRAHIM

v.

PARKSON CORPORATION SDN. BHD.

HIGH COURT MALAYA, JOHOR BAHRU
ABDUL MALIK ISHAK J
[ORIGINATING MOTION NO: 25-15-1994]
23 OCTOBER 1996

TRADE MARKS: *Registered trade mark - Trade description order - Applicant obtained Trade description order for exclusive use of the "ZIG ZAG" trade mark - Respondents applied inter alia to expunge the registration of trade mark registered in name of applicant - Common law user of trade mark - Whether honest concurrent user of trade mark - Respondent's failure to register the "ZIG ZAG" mark - Whether fraudulent usage - Trade Marks Act 1976, ss. 3, 14, 20, 30(1), 35, 36, 45(1), 82*

By an *ex parte* notice of originating motion, the applicant obtained a Trade Description Order dated 7 July 1994. The said Trade Description Order gave the applicant exclusive use of the "ZIG ZAG" trade mark. Subsequently, the respondent by way of a notice of motion dated 7 November 1994 *inter alia* applied that the respondent be added as a party in the action of applicant, the applicant's notice of originating motion be amended accordingly to include the respondent as a party, the respondent be at liberty to apply to expunge the registration of the trade mark number 92/07141 in the name of the applicant, set aside the order of Court dated 7 July 1994 obtained by the applicant and damages to be assessed by the Registrar. In the meantime, both parties by summons-in-chambers filed in Court sought leave to cross-examine certain officers/personalities of each other party.

Held:

[1] In order to succeed in expunging the registration of the trade mark number 92/07141, the respondent must show that they are aggrieved by an entry made in the register without sufficient cause or by an entry made in the register without sufficient cause or by an entry wrongfully remaining in the register as envisaged under s. 45(1)(a) of the Trade Marks Act 1976.

[2] The basic common law principle is that the first person who uses a trademark of an appropriate type within a country becomes the proprietor of the mark. In applying the common law principle in this case, the applicant Fazaruddin can be said to be the common law user of the "ZIG ZAG" mark even though under him the mark did not acquire a reputation in the market or for that matter a distinctive character.

[3] In applying the common law principle, the applicant was the first person to use the "ZIG ZAG" mark on a small scale basis and he must therefore be the proprietor of that mark.

[4] The substantial similarity between the mark as used by the respondent in 1992 and that as authorised by applicant in 1984 gave rise to a *prima facie* inference that the respondent copied the applicant and consequently, the respondent was a dishonest concurrent user of the trade mark.

[5] There would be a strong likelihood of confusion if articles of clothing bearing the same trade mark "ZIG ZAG" were allowed to be put in the market. In the circumstances, the applicant's trade mark which was already on the register was allowed to remain not to be expunged. The Trade Description Order dated 7 July 1994 should also remain and was not allowed to be set aside.

[6] In the facts of this case, there was no material to show fraud on the part of the applicant when he registered the trade mark "ZIG ZAG" as his own. Therefore, in the absence of fraud, it was not unlawful for the applicant to become the registered proprietor of the trade mark.

[7] As judgment was given in favour of the applicant, the notice of motion dated 7 November 1994 by the respondent was dismissed with costs.

[Judgment for applicant. Respondent's application dismissed with costs.]

Cases referred to:

Berlei Hestia Industries Ltd. v. Bali Co. Inc [1968] 11 CLR 128 ***(refd)***

Dunn's Trade Mark [1890] 7 RPC 311 ***(refd)***

Smith Kline and French Laboratories Ltd. v. Sterling-Winthrop Group Ltd. [1975] 2 All ER 578 ***(refd)***

George Banham & Co. Ltd. v. F. Reddaway & Co. Ltd. [1927] AC 406 ***(refd)***

Powell's Trade Mark [1894] 11 RPC 4 ***(refd)***

Lever v. Suniwite [1949] 66 RPC 84 ***(refd)***

Hannaford & Burton v. Polaroid Corporation [1976] 2 NZLR 14 ***(refd)***

General Electric Co. v. General Electric Co. Ltd. [1972] 1 WLR 729 ***(refd)***

Imperial Group v. Philip Morris & Co. [1982] 8 FSR 72 ***(refd)***

Re Application by Carl Zeiss [1969] 122 CLR 1 ***(refd)***

Astranaut Trade Mark [1972] RPC 655 ***(refd)***

Re Registered Trade Mark 'Yanx' Ex parte Amalgamated Tobacco Corp. Ltd. [1951] 82 CLR 199 ***(refd)***

Thunderbird Products Corp. v. Thunderbird Marine Products Pty Ltd. [1974] 131 CLR 592 ***(refd)***

Moorgate Tobacco Co. Ltd. v. Philip Morris Ltd. (No. 2) 59 ALJR 77 ***(refd)***

Re Kenrick and Jefferson Ltd's. Application [1909] 26 RPC 641 ***(refd)***

Hall v. Barrows [1863] 32 LJ Ch. 548 ***(refd)***

Yorkshire Copper Works Ltd. v. Registrar of Trade Marks [1954] 1 All ER 570 ***(refd)***
Smith Kline and French Laboratories Ltd. v. Sterling-Winthrop Group Ltd. [1975] 2 All ER 578 ***(refd)***
GE Trade Mark [1973] RPC 297 ***(refd)***
Re Auvi Trademark; Auvi Pte Ltd. v. Seah Siew Tee & Anor. [1992] 1 SLR 639 ***(refd)***
Re J. Crosfield & Sons Ltd., Re California Fig Syrup Co. [1910] 1 Ch. 130 ***(refd)***
Trade Marks Registrar v. W. & G. Du Cros Ltd. [1913] AC 624 ***(refd)***
Scott v. Brown Doering McNab & Co. [1892] 2 QB 724 ***(refd)***
Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd. [1865] 11 HL Cas. 523 ***(refd)***
Pomeroy Ltd. v. Scale [1906] 24 RPC 177 ***(refd)***
Plotzker v. Lucas [1907] 24 RPC 551 ***(refd)***
Whaley v. Carlisle 17 ICLR 792 ***(refd)***
Yong Pak Yong v. Public Prosecutor [1959] 25 MLJ 176 ***(refd)***
Pang Ah Chee v. Chong Kwee Sang [1985] 1 MLJ 153 FC ***(refd)***
Pembangunan Maha Murni Sdn. Bhd. v. Jururus Ladang Sdn. Bhd. [1986] 2 MLJ 30 SC ***(refd)***
Yah binti Aji v. Fatimah binti Haji Mohamed Ariffin & Ors. [1969] 2 MLJ 186 ***(refd)***
Ladd v. Marshall [1954] 1 WLR 1489 ***(refd)***
Jacob v. Public Prosecutor [1949] 15 MLJ 70 ***(refd)***

Legislation referred to:
Trade Mark Act 1976, ss. 3(1), 14, 20, (1), (2), 30(1), 35(1), 36, 45(1)(a), (b), 82(1)

For the applicant - M. Nathan (Brian Komathi with him); M/s. Brian Komathi & Partners
For the respondent - Tai Foong Lam (T. Siaw with him); M/s. Skrine & Co.

JUDGMENT

Abdul Malik Ishak J:

By an *ex parte* notice of originating motion in Encl. 4 supported by an affidavit of Fazaruddin bin Ibrahim ('Fazaruddin') that was affirmed on 7 May 1994 as reflected in Encl. 3, Fazaruddin easily obtained a Trade Description Order dated 7 July 1994 (Encl. 7) before my immediate predecessor. That Trade Description Order which gave Fazaruddin exclusive use of the "ZIG ZAG" trade mark was worded in this fashion:

> **ADALAH DIPERINTAHKAN** bahawa Cap Dagangan 'ZIG ZAG' **yang dilampirkan bersama ini** atau mana-mana cap dagangan yang serupa dari segi bunyi amat serupa dengan itu yang dilekatkan, dicapkan, dilabelkan atau yang kelihatan dalam mana-mana bentuk material pada barangan berikut iaitu pakaian, kemeja-kemeja, seluar, jeans, kemeja T, baju wanita atau blaus (selepas ini dirujuk sebagai 'barangan-barangan' tersebut) yang tidak dikilangkan, diedarkan, dijual atau diberi kuasa untuk dikendalikan sedemikian oleh pemohon yang dinamakan di atas akan pengilang-pengilang, pengedar-pengedar atau peruncit-peruncit mereka yang berlesen akan dianggap suatu perihal dagangan yang palsu dalam

lingkungan maksud Akta Perihal Dagangan, 1972 **DAN ADALAH DIPERINTAHKAN** bahawa kos permohonan ini dan kos sampingan baginya dibayar oleh mana-mana pihak yang didapati melanggar hak cap dagangan tersebut.

Parkson Corporation Sdn. Bhd. ('Parkson') by way of a notice of motion dated 7 November 1994 as reflected in Encl. 10 prayed for the following orders:

(1) That Parkson be added as a respondent in this action and that the Originating Motion (it should be the Notice of Originating Motion) be amended accordingly by naming Parkson as a respondent and the matters of this proceeding be amended to include s. 45 of the Trade Marks Act 1976.

(2) That Fazaruddin do within ten days of the grant of this order serve on Parkson or its solicitors, Messrs. Skrine & Co. of Straits Trading Building, No: 4, Leboh Pasar Besar, 50050 Kuala Lumpur, a copy of *ex parte* Originating Motion (it should be the Notice of Originating Motion) dated 7 July 1994 together with copies of any affidavits and or any documents exhibited to it or related to the said Originating Motion (it should be the Notice of Originating Motion).

(3) That Parkson as a respondent to this action be at liberty to:

(a) Apply to expunge the registration of the trade mark number 92/07141 in the name of Fazaruddin; and

(b) Set aside the order of this Honourable Court dated 7 July 1994 obtained by Fazaruddin in this action.

(c) Have the damages assessed by the Registrar.

(4) That the costs of and occasioned by the application be costs in the cause; and

(5) Such further or other orders as this Honourable Court thinks fit.

The notice of motion in Encl. 10 was supported by an affidavit of Yong Boon Sen (Encl. 9) affirmed on 1 November 1994 but was filed on 7 November 1994. On 14 January 1995, Brian Komathi, the learned Counsel for Fazaruddin, conceded that prayers (1) and (2) of Encl. 10 should be ordered in favour of Parkson and orders to that effect were made by me as reflected in Encl. 23. The date for hearing of prayer three of Encl. 10 was scheduled to be heard on 7 February 1995. In the meantime, Fazaruddin affirmed an affidavit-in-reply on 6 March 1995 as reflected in Encl. 13. By way of a reply, Parkson through Law Boon Eng affirmed an affidavit-in-reply on 2 May 1995 as seen in Encl. 15 where Law Boon Eng adopted the contents of the affidavit of Yong Boon Sen in Encl. 9. Fazaruddin took a swift action and filed an affidavit-in-reply to Encl. 15 by affirming that affidavit-in-reply on 29 June 1995

as reflected in Encl. 16. Parkson filed a further affidavit affirmed by Law Boon Eng on 7 December 1995 (Encl. 27) and Fazaruddin replied by way of an affidavit affirmed on 19 January 1996 as seen in Encl. 29.

By summons-in-chambers in Encl. 20 dated 19 August 1995, and supported by an affidavit of Law Boon Eng affirmed on 17 August 1995 in Encl. 19 Parkson sought to cross-examine Fazaruddin, Muthalib bin Kiman ('Muthalib') and Boo Ah Lek and Parkson also sought these personalities to be present and be cross-examined accordingly (prayers (1) and (2) of Encl. 20). By prayer (3) of Encl. 20, Parkson prayed:

> that unless the applicant (referring to Fazaruddin), Muthalib and Boo Ah Lek attend, their affidavits shall not be used as evidence by the special leave of the Court.

In due course, to be precise on 30 September 1995, I granted prayers (1) and (2) of Encl. 20 and struck out prayer (3) of Encl. 20.

Fazaruddin through Brian Komathi filed a summons-in-chambers dated 27 October 1995 in Encl. 25 to cross-examine both Yong Boon Sen and Law Boon Eng. Fazaruddin's application in Encl. 25 was supported by his own affidavit dated 13 October 1995 as reflected in Encl. 24. On 27 October 1995, I granted prayers (1), (2) dan (3) of Encl. 25.

For Parkson, only Law Boon Eng turned up to be cross-examined. It transpired that Yong Boon Sen has left Parkson and he would not be available to be cross-examined, yet Law Boon Eng under re-examination had the audacity to say that he would be adopting Yong Boon Sen's affidavit in Encl. 9 as his own.

On the other hand, Fazaruddin and Muthalib were available for cross-examination and they were cross-examined. Boo Ah Lek was traced and was available but he was not cross-examined. M. Nathan, the learned Counsel for Fazaruddin, informed the Court that he would not be relying on the Statutory Declaration of Boo Ah Lek as seen in Exh. 'F3' of Encl. 13.

There was evidence that Fazaruddin registered himself as the proprietor of the "ZIG ZAG" trade mark with the Registrar of Trade Marks on 9 October 1992 and his registered trade mark number was 92/07141 confined to articles of clothing; included in class 25. The registered trade mark consisted of a device in the following form (hereinafter referred to as "mark A"):

REPRESENTASI CAP DAGANGAN
REPRESENTATION OF TRADE MARK

The essential feature of the device is in regard to the words "ZIG ZAG" in capital letters with the words "QUALITY CLOTHING" in less prominent print. The device includes the words "RUGGED WEAR" in oval design with initials "RW" placed against a dark background. Section 36 of the Trade Marks Act 1976 gives some leverage to Fazaruddin and it enacts that:

> In all legal proceedings relating to a registered trade mark (including applications under s. 45) the fact that a person is registered as proprietor of the trade mark shall be *prima facie* evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

It is common ground, as I said earlier, that Fazaruddin applied for and obtained on 7 July 1994 a Trade Description Order and with that he complained to the Ministry of Trade and Industry who then raided Parkson's premises on 20 September 1994 and confiscated the infringing goods that bore the "ZIG ZAG" mark.

Only three issues were ventilated before me as can be seen in prayers 3(a), (b) and (c) of Encl. 10, namely:

(a) expungement of the registration of trade mark number 92/07141 in the name of Fazaruddin.

(b) setting aside the Trade Description Order dated 7 July 1994.

(c) damages to be assessed by the Registrar of the High Court.

The First and Second Issues

Parkson advanced an argument that they were aggrieved by the trade registration number 92/07141 registered with the Registrar of Trade Marks as it contravened s. 14 of the Trade Marks Act, 1976. In short, Parkson too was interested in the same trade mark as used and registered by Fazaruddin. The relevant part of s. 14 of the Trade Marks Act 1976 reads as follows:

> A mark or part of a mark shall not be registered as a trade mark -
>
> (a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law.

On deception and confusion, Parkson can be said to be "the assiduous efforts of an infringer" – a phrase coined by Windeyer J in *Berlei Hestia Industries Ltd. v. Bali Co. Inc* [1968] 11 CLR 128 at 133. In *Dunn's Trade Mark* [1890] 7 RPC 311 at 318 HL, Lord Macnaghten described the underlying principles of deception and confusion in these words:

> Ever since Courts of equity have interfered to protect traders in the exclusive use of marks and words, which they have lawfully appropriated for the purpose of distinguishing their goods, it has been an established principle that this protection is not to be extended 'to persons whose case is not founded in truth'. That is said to be 'a clear rule'.
>
> Unfortunately in the competition for business a trader not infrequently endeavours to attract custom by representing that the goods which he offers for sale are different in origin, composition, or character from what they really are. The public are constantly tempted to buy one thing when they think they are buying another. It is not, as has been observed, the province of the Court to protect speculations of this kind. Between rival traders the application of the principle is necessarily a matter of extreme difficulty. But as between the innocent public and a trader seeking registration of a proposed trade mark, there is, I think, no room for hesitation or doubt.

Lord Mcnaghten proceeded further to say in *Dunn's Trade Mark (supra)* at p. 319 that the tribunal should refuse to register "words which involve a misleading allusion or a suggestion of that which is not strictly true, as well as words which contain a gross and palpable falsehood."

Since Fazaruddin was on the register earlier than Parkson, the questions of deception and confusion occasioned by Fazaruddin in registering mark "A" do not arise at all.

Section 3(1) of the Trade Marks Act 1976 defines "mark" to include "a device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof." The definition of the word "mark" as can be seen is all encompassing. It is construed widely so that almost any visual feature added to goods may come within the definition. Thus, in *Smith Kline and French Laboratories Ltd. v. Sterling-Winthrop Group Ltd.* [1975] 2 All ER 578; [1975] 1 WLR 914; [1976] RPC 511, HL a colouring system applied to pharmaceutical capsules was held to be a mark. In *George Banham & Co. Ltd. v. F. Reddaway & Co. Ltd.* [1927] AC 406, 44 RPC 27, HL, coloured lines running the whole length of a hosepipe were held to be a mark. It must be emphasised that when Fazaruddin registered the "ZIG ZAG" mark he was earlier in point of time than Parkson and he was the sole registrant for that mark. Parkson made no attempt to register the "ZIG ZAG" mark. There was oral evidence that there was a breakdown in communication between the merchandising department and the legal department of Parkson with the result that Parkson did not register the "ZIG ZAG" mark with the Registrar of Trade Marks. In 1994, according to Law Boon Eng, there were other brands that were left out of registration. As a big business enterprise Parkson was no where within the range of Fazaruddin's ability in the context of registering the "ZIG ZAG" mark. As a small time businessman Fazaruddin has the inherent right to protect the "ZIG ZAG" mark as his own. As a registered proprietor, Fazaruddin has "the exclusive right to the use of the trade mark in relation to those goods subject to any conditions, amendments, modifications or limitations entered in the register" as enshrined in s. 35(1) of the Trade Marks Act 1976.

To succeed in expunging the registration of trade mark number 92/07141, Parkson must show that they are aggrieved by an entry made in the register without sufficient cause or by an entry wrongfully remaining in the register as envisaged under s. 45(1)(a) of the Trade Marks Act 1976. A person (other than the registered proprietor or the Registrar of Trade Marks) must be aggrieved by the registration of a trade mark before he can apply for its removal or variation. The phrase "person aggrieved" in s. 45(1)(a) of the Trade Marks Act 1976 should be construed liberally. In my judgment, it includes any person whose own application for registration is obstructed by the opposing party in the suit and extends to any person who is alleged to have infringed the registration. It also extends to anyone whose legitimate business may be adversely affected by a wrongful registration. As Lord Herschell said in the House of Lords in *Powell's Trade Mark* [1894] 11 RPC 4 at 7-8:

> Whenever it can be shewn, as here, that the applicant is in the same trade as the person who has registered the trade mark, and wherever the trade mark if remaining on the register, would, or might, limit the legal rights of the applicant, so that by reason of the existence of the entry on the Register he could not lawfully do that which, but for the existence of the mark upon the Register, he could lawfully do, it appears to me that he has a locus standi to be heard as a person aggrieved.

Earlier on in the Court of Appeal in the *Powell's Trade Mark* [1893] 10 RPC 195 at 201 (CA) Bowen LJ said:

> Persons who are aggrieved are persons who are in some way or other substantially interested in having the mark removed from the Register, or persons who would be substantially damaged if the mark remained. It is very difficult to frame a nearer definition than that.

Now, the phrase "in the same trade" as employed by Lord Herschell in the *Powell's Trade Mark (supra)* was further expounded in the case of *Lever v. Suniwite* [1949] 66 RPC 84 which involved an infringement action where the defendants there sued for rectification by way of defence. Romer J boldly held that they were not persons aggrieved in respect of any registered goods which were not goods of the same description as those in which they traded themselves. His Lordship said this:

> ... the defendant's sole activity lies, and has lain for some years past, in the region of soapless detergents. This being so, and in the absence of some evidence to support the view, I am unable to see how they can sensibly be regarded as aggrieved in respect of the plaintiff's mark being on the register in relation to perfumery, cosmestic, preparations for the hair and dentifrices. I have already indicated my opinion that none of these products are goods of the same description as soapless detergents.

It is a correct statement of the law to say that the Court's powers to order rectification of the Register and expunging of a trade mark under s. 45(1)(b) and 45(1)(a) of the Trade Marks Act 1976 respectively are discretionary in nature. This is the natural and ordinary meaning of the words employed in these sections and it promotes the underlying policy of the Trade Marks Act 1976 by investing in the Court a sufficient degree of flexibility in order to give effect to public interest considerations. Thus, the existence of a discretion to withhold relief even if a ground for rectification or removal has been made out is now well settled by authority. On rectification references may be made to *Hannaford & Burton v. Polaroid Corporation* [1976] 2 NZLR 14 at pp. 17-18 Privy Council; *General Electric Co. v. General Electric Co. Ltd.* [1972] 1 WLR 729 at p. 751; *Berlei Hestia Industries Ltd. v. Bali Co. Inc.* [1973] 129 CLR 353 at p. 363; *Imperial Group v. Philip Morris & Co.* [1982] 8 FSR 72 at pp. 87 to 88; and in regard to removal, two cases may

be referred to: the first would *Re Application by Carl Zeiss* [1969] 122 CLR 1 at pp. 5 to 6 and the second is *"Astranaut Trade Mark* [1972] RPC 655 at p. 672. I hold and it is my judgment that the proper and correct approach under s. 45(1)(a) and 45(1)(b) of the Trade Marks Act 1976 would be this: that if the condition of exercise of the Court's power has been established, the entry of the mark should be expunged or the mark should be removed as the case may be.

Parkson through the affidavit of Yong Boon Sen in Encl. 9 sought to introduce evidence of usage. It was deposed by Yong Boon Sen that Parkson began using the "ZIG ZAG" mark in 1987 and that Parkson's approximate annual value of sales of its garments using the said mark came to a staggering figure calculated from December 1987 to June 1994. That figure was listed by Yong Boon Sen as follows:

Year		Value
December 1987 – June 1988	.....	RM89,550
July 1988 – June 1989	.....	RM245,963
July 1989 – June 1990	.....	RM180,860
July 1990 – June 1991	.....	RM1,374,244
July 1991 – June 1992	.....	RM1,440,739
July 1992 – June 1993	.....	RM1,081,253
July 1993 – June 1994	.....	RM1,009,369

Sample copies of invoices from Parkson's various contract manufacturers of articles of clothing bearing the "ZIG ZAG" mark commencing from 14 October 1987 were exhibited and marked as exhibit "P2". Sample copies of advertisements for clothing bearing the same mark were also exhibited and Yong Boon Sen deposed that they had samples as far back as 1987, but on careful scrutiny the advertisements went only as far back as 24 February 1989 (see p. 38 of exhibit 'P3' in Encl. 9). Parkson was said to have incurred expenses and had spent a considerable amount of money for promoting and advertising their "ZIG ZAG" brand of clothing. The breakdown figure in typewritten form was exhibited as "P7" and it is interesting to note that the earliest date shown in that type written form was 10 June 1989. All in the advertising expenses incurred by Parkson amounted to RM142,158.30. Yong Boon Sen deposed further that the extensive sales and promotional exercises by Parkson had made the "ZIG ZAG" mark distinctive and referable to Parkson and no one else. The "ZIG ZAG" device was not distinctive to Fazaruddin, so said Yong Boon Sen in his affidavit and the registration of the mark by

Fazaruddin was said to offend s. 14 of the Trade Marks Act 1976. What is of crucial importance is the averment by Yong Boon Sen in Encl. 9 to the effect that Parkson "is the common law proprietor of the "ZIG ZAG" mark with an oval device containing the words 'Rugged Wear' which mark was designed/conceived in house." Unfortunately, Fazaruddin was not accorded the opportunity of cross-examining Yong Boon Sen and this greatly impeded Fazaruddin.

Law Boon Eng as a merchandising manager of Parkson affirmed an affidavit-in-reply for Parkson in Encl. 15 and he conveniently adopted the affidavit of Yong Boon Sen in Encl. 19 as his own. Law Boon Eng deposed that once a trade mark certificate was issued, the date of registration will be taken to be the date of the filing of the trade mark application and that date would be 9 October 1992 – indeed this was the date of the registration of the "ZIG ZAG" mark by Fazaruddin as reflected in Exh. "C" of Encl. 3. As demonstrated earlier the proprietor of a registered trade mark, like Fazaruddin, has certain rights which arise out of his registration. Principal among these, and in fact the foremost, is the exclusive right to use the mark in relation to the goods (if I may add it may even extend to services) once it is registered. This means that Fazaruddin has the right to exclude the use of the "ZIG ZAG" mark by others. Anyone who does so without Fazaruddin's consent infringes that right and certainly can be sued in Court: s. 35(1) of the Trade Marks Act 1976. I hasten to add that registration of a trade mark is not compulsory in our country. Thus, we can envisage a situation where the owner of an unregistered mark may use that mark commercially or otherwise but he certainly cannot sue for infringement: s. 82(1) of the Trade Marks Act 1976. This inability or impediment to initiate any action for infringement of an unregistered mark applies even if registration has been applied for but the application is still pending notwithstanding the fact that under s. 30(1) of the Trade Marks Act 1976 the date of application shall be deemed to be the date of registration if the mark is eventually registered. That this is so stems from the very liberal definition of a registered trade mark in s. 3(1) of the Trade Marks Act 1976 to mean a trade mark "which is actually upon the register." Reverting back to Encl. 15, Law Boon Eng deposed further that the Trade Description Order dated 7 July 1994 was too broad as it did not identify the infringing mark and as such was invalid and should be set aside. It was said that Parkson who owned and operated a large and highly reputable chain of departmental stores throughout the country would not resort to knowingly and fraudulently using someone else's trade mark. Parkson denied that Fazaruddin had suffered any damage as alleged and it was Law Boon Eng's assertion that Parkson sold its clothing in departmental stores throughout the country as compared to Fazaruddin whose main customers are confined to "pasar malam" market. Of crucial importance was an assertion by Law Boon Eng that Parkson

was an honest concurrent user of the "ZIG ZAG" mark and was not aware of any prior use of the "ZIG ZAG" mark at all material times.

In Encl. 27, Law Boon Eng affirmed an affidavit dated 7 December 1995 and there he deposed that he had been the merchandising manager for Parkson since October 1988 and was the supervisor of Yong Boon Sen who has since left Parkson's employment. Law Boon Eng also deposed that the contents of Yong Boon Sen's affidavit in Encl. 9 were within his own personal knowledge or from Parkson's records and, consequently, Law Boon Eng was in a position to confirm and adopt the contents of the affidavit of Yong Boon Eng in these proceedings. To show that Parkson was connected with the "ZIG ZAG" mark, a local purchase order from Natvest Sdn Bhd (the previous name of Parkson) dated 10 November 1987 was exhibited as "LBE 2" and it was in the following form (hereinafter referred to as "mark "B"):

Law Boon Eng further deposed in Encl. 27 that sometime in 1991/1992, the "ZIG ZAG" mark underwent some transformation as reflected in exhibit "LBE 3" and it was said to be in the following form (hereinafter referred to as "mark "C"):

Law Boon Eng also deposed in Encl. 27 that the words "Rugged Wear" in an oval device as registered by Fazaruddin derived from an American company sometime in early 1992.

Law Boon Eng took to the stand and he was referred to Encl. 19 exhibit "LBE 1" and he categorically said that by resolution of the Board of Directors he was authorised to affirm the affidavit and give evidence for Parkson based on the company's records and his own personal knowledge. When shown Encl. 27 para. 3 he remarked that as a merchandising manager of Parkson since October 1988 he supervised Yong Boon Sen who had since left Parkson and verily he said that the affidavit of Yong Boon Sen in Encl. 9 especially its contents were within his own personal knowledge or from Parkson's records and he was thus in a position to confirm and adopt the contents of Encl. 9. Law Boon Eng testified further that he agreed with the prayers that were sought for in Encl. 9. When shown two invoices at pp. 25 and 26 of Encl. 9

that carried the names of "Natvest Sdn. Bhd.", Law Boon Eng was quick to reply that that was the original name of Parkson which name was then changed to "In View Sdn. Bhd." before adopting its present name. In short, all the sample invoices exhibited in Encl. 9 were agreed to by Law Boon Eng. The sample advertisements in Encl. 9 were also agreed upon by Law Boon Eng and the latter further agreed that mark "B" of exhibit "LBE 2" of Encl. 27 was a representation of the "Zig Zag" mark of Parkson on 10 November 1987. In 1991/1992 according to Law Boon Eng the "Zig Zag" mark went into some form of transformation as reflected in mark "B" of Encl. 27. In 1992, Parkson was said to have switched to using the label as reflected in Exh. P1 of the affidavit of Yong Boon Sen in Encl. 9. It is germane at this juncture to make an observation that Exh. P1 was exactly like mark "A" – the trade mark registered in the name of Fazaruddin on 9 October 1992. Thus, while Parkson started using mark "A" in 1992, Fazaruddin had advanced manifold by registering mark "A" on 9 October 1992 as his own. Law Boon Eng agreed in examination-in-chief that on 20 September 1994 the officers from the Ministry of Domestic Trade and Consumer Affairs raided eight of Parkson's stores in pursuance of the Trade Description Order dated 7 July 1994. Again when shown the affidavit of Yong Boon Sen in Encl. 9, Law Boon Eng agreed that the advertising expenses incurred by Parkson as shown in Exh. P7 were mere estimates.

Under cross-examination, Law Boon Eng was shown the affidavit of Yong Boon Sen in Encl. 9 especially para. 2 and he categorically said that he was not the designer nor the creator of Exh. P1 – meaning he did not design nor create a mark like mark "A". Law Boon Eng too said that he did not know the person who designed and created the mark like mark "A" as used by Parkson. However, Law Boon Eng had the audacity to say that he was absolutely certain that the mark like mark "A" was not being used by anyone else before Parkson began using it. But Law Boon Eng agreed that he was not certain and had no knowledge whether the mark like mark "A" was being used by other parties prior to 1992 – the date when Parkson started using the mark like mark "A".

Law Boon Eng testified that he was not employed by Parkson at the time the design or logo was created and, consequently, he had no personal knowledge about the design and creation of the logo. In 1987 when Parkson started using the logo, Law Boon Eng was not in the employment of Parkson and that the details in para. 3 of Encl. 9 must have been incorporated by relying solely on the records of Parkson. It was put to Law Boon Eng that at no time did Parkson make an attempt to register the logo prior to the raid by officials from the Ministry of Trade. Initially Law Boon Eng replied that he agreed that the logo was not registered prior to the raid but a short while later he

relented and he remarked that: "We have no idea whether the trade mark was registered, we assumed that it was registered." A crucial question was advanced in the course of cross-examination of Law Boon Eng. It was this:

> When the applicant Fazaruddin applied for the mark/design logo to be registered and in accordance with proper procedure and when it was advertised in the gazette by the Ministry of Trade, Parkson did not file any notice of objection within the two months' period ?
>
> The answers were these:
>
> Those information were not available to us and we have no knowledge.
>
> How can I lodge an objection to the Ministry since I have no knowledge?
>
> I affirm that I do not make an objection because I do not know.

Law Boon Eng agreed that Parkson's approximate annual value of sales of its garments as reflected in para. 3 of Encl. 9 was not prepared by him and these figures cannot be verified by Exh. P2 of Encl. 9 as Exh. P2 were said to be representative samples of the invoices. The figures of the annual value of sales were said to be a summary of sales report and Law Boon Eng admitted that he was not involved at all in the preparation of these figures and had no personal knowledge thereof. All the same Law Boon Eng was not prepared to contradict Yong Boon Sen's averment in Encl. 9. It was put to Law Boon Eng and he disagreed that the sums incurred in advertisements were meant for the promotion of Parkson and not the "ZIG ZAG" mark. Law Boon Eng also disagreed that the costs of advertisements for "ZIG ZAG" mark were proportionately small. But if one were to take a closer look at p. 33 of Exh. P3 as reflected in Encl. 9, one would immediately detect the words "ZIG ZAG" in small print and on the same page other products sold by Parkson were also highlighted. This gives the impression that p. 33 of Exh. P3 in Encl. 9 and in fact all the other advertisements were not solely meant nor confined to the "ZIG ZAG" mark but also gave prominence to the other products sold by Parkson. Law Boon Eng emphasised that sales were conducted two to three times per year and during this period slow moving items would be sold at normal prices. Of pertinence would be Law Boon Eng's assertion that the merchandises were discounted store wide and "ZIG ZAG" product was one of them. Law Boon Eng reiterated that Parkson was an honest concurrent user of "ZIG ZAG" mark and was not aware of any prior use of the said mark at all material times. When shown Encl. 27 para. 6, Law Boon Eng remarked that Parkson copied the design from an American company sometime in 1992.

Under re-examination, Law Boon Eng testified that as a merchandising manager of Parkson since 1988, one of his duties was to approve or reject new label

or trademark. He ventured to say that Parkson created other trademarks other than the "ZIG ZAG" by the in-house unit. He was categorical that in 1988 the "ZIG ZAG" mark was already with Parkson. Law Boon Eng testified that it was a company policy before a trademark was being used, a search would be conducted by the legal department and once the search confirmed availability of that mark, Parkson would then start production. Indeed if this was so, the legal department of Parkson would not have wasted precious time, it would have registered the 'ZIG ZAG" mark with the Registrar of Trade Marks in 1988. But alas, this was not the case. As stated in the early part of this judgment, the breakdown in communication between the merchandising department and the legal department resulted in the failure of Parkson to register the "ZIG ZAG" mark. Law Boon Eng was cautious when he said that he was not well versed with the trademark application procedure and he was not aware of the opposition period to challenge the application for registration. When shown p. 33 of Encl. 9, Law Boon Eng remarked that the male model as shown in the print out was wearing clothes with the "ZIG ZAG" trademark. Law Boon Eng testified further that he was Yong Boon Sen's superior and he was in a better position than Yong Boon Sen to testify on behalf of Parkson. He said that Yong Boon Sen was with Parkson for only two years. Finally, Law Boon Eng testified that he would adopt Yong Boon Sen's affidavit in Encl. 9 as his own.

Fazaruddin affirmed several affidavits. In his affidavit in Encl. 3 affirmed on 7 May 1994 he deposed, *inter alia,* the following facts:

(1) He carried on business under the style of Perniagaan Fatama and had it registered with the Kementerian Perdagangan dan Perindustrian on 30 October 1992 and with the Pendaftar Perniagaan, Semenanjung Malaysia on 26 January 1994.

(2) He registered the "ZIG ZAG" mark with the Registrar of Trade Marks on 9 October 1992 and was given a trademark number 92/07141.

(3) He used the "ZIG ZAG" mark on articles of clothing and textiles.

In his further affidavit in Encl. 5 that was affirmed on 5 July 1994, Fazaruddin deposed, *inter alia,* that:

(1) On 7 April 1994 he visited Parkson's premises at Holiday Plaza, Jalan Dato' Sulaiman, Johor Bahru and he found his registered "ZIG ZAG" trademark as reflected in mark 'A' being widely used by Parkson on articles of clothing that were meant for sale.

(2) He did not at any time receive an application from Parkson to use his registered "ZIG ZAG" mark and neither did he give his consent to Parkson to use the same.

(3) He purchased a shirt from Parkson which clearly carried his registered "ZIG ZAG" trademark on 7 April 1994 *vide* receipt number 00866 1040013.

(4) He took photographs within Parkson to show that his registered "ZIG ZAG" mark were used on articles of clothing exhibited for sale by Parkson.

By way of an affidavit-in-reply in Encl. 13 affirmed on 6 March 1995, Fazaruddin deposed as a registered proprietor of the "ZIG ZAG" mark and owner of perniagaan Fatama to the following effect particularly in reference to Yong Boon Sen's affidavit in Encl. 9:

(1) He is the common law user and registered proprietor of the "ZIG ZAG" mark as reflected in Mark "A". He was inspired to create the "ZIG ZAG" mark while working with Bandartex Textiles Sdn. Bhd. at Batu Pahat ('Bandartex') between 1981 till 1983 – which job entailed printing of logos on articles of clothing.

(2) In 1984 he was inspired to create the "ZIG ZAG" mark as reflected in mark "A" while working at Bandartex. Initially he said he coined the words "ZAG ZIG" but because of the peculiarity in its sound, he altered it to "ZIG ZAG" in 1984 itself. The words "Rugged Wear" were inspired through the production of children's apparel at Bandartex.

(3) In due course, he combined the words "ZIG ZAG" with that of "Rugged Wear" and it became the trademark as seen in mark "A". This was in 1984. He used that logo as reflected in mark "A" to articles of clothing since 1984.

(4) In 1984 he stopped working for Bandartex and worked for a company known as Ekikon. He also did part time work by printing "ZIG ZAG" mark on T-shirts and sold his products at night markets in and around Batu Pahat area. He deposed that two of his colleagues, namely, Muthalib and Boo Ah Lek assisted him in printing the "ZIG ZAG" mark on the T-shirts. Both Muthalib and Boo Ah Lek sworn a surat akuan each. For this exercise, it is appropriate to refer to Muthalib's surat akuan only as Boo Ah Lek was not cross-examined at all. Muthalib's surat akuan was short; it contained two paragraphs and was worded thus:

(1) Bahawa saya dengan ini telah mencetak pakaian bernama "ZIG ZAG" bersama-sama rakan saya dirumah di Jalan Lian Yen Leong, Batu Pahat (dihalaman rumah) pada tahun 1984 dan 1985.

(2) Saya juga mengaku dan mengesahkan bahawa saya mencetak sebanyak lebih kurang 10 dozen pakaian T-shirt pada tahun 1984 dan 10 dozen pakaian T-shirt pada tahun 1985.

(5) In 1985 he stopped working for Ekikon and during the night he worked part time at the night market selling his products assisted by his friends.

(6) In 1986 he applied to the Kementerian Perdagangan Dalam Negeri by letter dated 23 January 1986 to register his "ZIG ZAG" mark as reflected in exhibit "F4" and this letter was worded thus:

23 Januari 1986

Fazaruddin bin Ibrahim,
23 Jalan Besi,
Kampong Kenangan Dato' Onn,
Batu Pahat, Johor

Pengurus,

Kementerian Perdagangan Dalam Negeri,
Tingkat 23, Menara Mayban,
100 Jalan Tun Razak,
Kuala Lumpur.

Tuan,

Per: Permohonan untuk memohon Cap Dagangan "ZIG ZAG"

Berhubong dengan perkara di atas saya dengan sukacitanya ingin mendaftarkan Cap Dagangan jenama saya "ZIG ZAG" didalam Cap Dagangan yang sah. Saya ingin juga memohon pihak Kementerian menyemak samada jenama saya ini ada didaftarkan oleh seorang atau syarikat. Untuk pengetahuan tuan, saya tidak begitu Arif dalam mengelolakan permohonan ini dan memohon kerjasama pihak tuan untuk membantu saya.

Disini ada saya sertakan contoh logo/jenama "ZIG ZAG" dan sampul surat berserta setem untuk mendapatkan borang pendaftaran.

Sekian, terima kasih.

Yang benar,

t.t
Fazaruddin Ibrahim

Stamp Cop of
Kementerian
Perdagangan
dated 26.1.86

In the course of the trial, the original letter was tendered and marked as exhibit P2 when Fazaruddin was being cross-examined.

(7) A follow up was made where Fazaruddin attended the office of the Kementerian Perdagangan dan Perindustrian to ascertain whether his application was in order and enquire as to the registration of the "ZIG ZAG"

mark. Fazaruddin was advised to be patient as the registration would take time. The patience paid off when on 9 October 1992 the "ZIG ZAG" mark was registered in his name.

(8) He said that Parkson had used his registered "ZIG ZAG" trademark and profited from it. He did not know and was in total darkness and sought Parkson to prove the invoices and advertisements exhibited in Encl. 9 of Yong Boon Sen's affidavit. He denied that he had wrongly and/or fraudulently registered the "ZIG ZAG" mark in his name and put Parkson to strict proof thereof.

(9) He categorically stated that he had used the "ZIG ZAG" mark since 1984 and he exhibited several invoices which were translated and the earliest date showed 26 March 1985.

(10) He denied knowledge of the expenses incurred by Parkson for promoting and advertising the "ZIG ZAG" brand of clothing and put Parkson to strict proof thereof.

(11) He denied the assertion by Parkson that through sales and promotion the "ZIG ZAG" mark became distinctive and referable to Parkson and no one else. He categorically stated that he was a common law user and the registered proprietor of the "ZIG ZAG" mark; it was Parkson that fraudulently used the "ZIG ZAG" mark and caused Fazaruddin to experience losses.

As demonstrated, Encl. 13 of Fazaruddin's affidavit was a point by point reply to Yong Boon Sen's affidavit in Encl. 9.

Fazaruddin's affidavit in Encl. 16 was a reply to Law Boon Eng's affidavit in Encl. 15. In Encl. 16, Fazaruddin, *inter alia*, deposed that:

(1) He relied on his affidavit in Encl. 13 that was affirmed on 6 March 1995.

(2) He said that the use of the "ZIG ZAG" mark was not confined to small towns in the vicinity of Johor Bahru but its usage extended to the whole of Malaysia.

(3) He said (that part which is relevant to this exercise) that the surat akuan of Muthalib should be admissible in Court.

(4) He disagreed that the Trade Description Order dated 7 July 1994 was too broad and did not identify the infringing mark. He held the view, rightly so, that the Trade Description Order dated 7 July 1994 was legally valid. He was of the view as agreed by Yong Boon Sen that the several raids conducted by the Kementerian Perdagangan dan Hal Ehwal Pengguna were strictly conducted in compliance with the law.

(5) He categorically stated that there was no fraud demonstrated by him when he said that he was the registered proprietor of the "ZIG ZAG" trademark.

(6) He categorically stated that Parkson had used his registered "ZIG ZAG" mark as evident from Exhs. P4 and P5 of Yong Boon Sen's affidavit in Encl. 9 where articles of clothing which bore the "ZIG ZAG" mark were seized by the officers during the raid on Parkson's premises.

(7) It was an assertion by Fazaruddin that he sustained losses as a result of Parkson using his registered "ZIG ZAG" trademark. He denied that Parkson was a concurrent user of the "ZIG ZAG" mark.

On 19 January 1996, Fazaruddin affirmed an affidavit-in-reply in Encl. 29 to rebut the affidavit of Law Boon Eng in Encl. 27. Fazaruddin put Parkson to strict proof in regard to paras. 3, 4, 5 and 6 of Encl. 27 which had been amply set out in the early part of this judgment. It was deposed by Fazaruddin in Encl. 29 that he purchased leather jackets from Singapore for eventual transmissions and sales in Kuala Lumpur. He also allowed Pusat Fesyen Dors to sell articles of clothing bearing the "ZIG ZAG" mark. He said that he purchased 3,000 leather jackets from Action Gear Sdn. Bhd. worth RM360,000 for distribution throughout Malaysia in January 1993 and a copy of the letter from that company was exhibited as "F13". These pieces of evidence were all meant to show that Fazaruddin's business was not small and was not confined to the night market at Batu Pahat. He also said that he gave permission to Fastino Sdn. Bhd. to use his registered "ZIG ZAG" trademark.

Just like Law Boon Eng, Fazaruddin too took to the stand and he gave evidence in a straight forward manner. Under examination-in-chief, Fazaruddin's evidence may be summarised as follows:

(1) He was the sole proprietor of Perniagaan Fatama.

(2) The original purpose of creating the "ZIG ZAG" mark was to enter the logo competition organised by Bandartex in 1983 and 1984. He won third place in the competition.

(3) He had since 1985 used the "ZIG ZAG" mark for his business. At the sports meet organised by Bandartex he used the "ZIG ZAG" mark without the words "Rugged Wear (RW)" and "Quality Clothing".

(4) In 1985, 1986 and early 1987 he sold articles of clothing bearing the registered "ZIG ZAG" mark in night markets. This continued in 1992 till now.

(5) He said he used the "ZIG ZAG" mark in 1983 and when he sold articles of clothing in 1985 he used the same mark. He elaborated that he sold his articles of clothing bearing the "ZIG ZAG" mark not only in night markets but also in departmental stores like Pertama Complex in Kuala Lumpur and shopping complexes in Pulau Pinang.

(6) He categorically stated that all his affidavits were correct and true.

Under cross-examination, Fazaruddin had this to say:

(1) In 1984 when he entered the competition at Bandartex he utilised the registered "ZIG ZAG" mark as reflected in mark "A".

(2) He designed mark "A" in 1984.

(3) As proof that he designed mark "A" in 1986 he tendered "satu gulung label 'ZIG ZAG'" which was in due course marked as Exh. "R3". It must be borne in mind that there was nothing to show on the "satu gulung label 'ZIG ZAG'" that it was made in 1986.

(4) He was not able to tender proof that he designed the "ZIG ZAG" mark in 1984 as he had sold all the clothes bearing that mark. He went further to say that he designed the mark in 1983 but he only used it in 1984. He re-emphasised the factual situation by saying that in 1983 he merely had the words "ZIG ZAG" in mind and in 1984 he designed the logo in detail as reflected in mark "A" and used the same for the sports meet at Bandartex.

(5) He said that he manually made mark "A" without the aid of a machine.

(6) He said that the leftovers from the sports meet would be sold by him at night markets. Though he said that there was an invoice for 1984 yet a perusal of Encl. 13 Exh. "F8" merely showed the earliest date to be 26 March 1985.

(7) In 1984, 1985 and 1986 when he sold the articles of clothing bearing the "ZIG ZAG" mark in night markets at Batu Pahat, he utilised his auntie's licence for that purpose. This cross-examination was aimed at discrediting Fazaruddin. As a hawker, Fazaruddin was bound by the Hawkers (Majlis Daerah Batu Pahat Timur) By-Laws 1981 ("Hawkers By-Laws"). Section 3 of the Hawkers By-Laws states that no person shall act as a hawker without a licence issued by the President under these by-laws. Section 10(1) of the Hawkers By-Laws states that a licence shall not be transferable. Section 22 of the Hawkers By-Laws lays down the penalty for non-observance and it states that any person who acts as a hawker without a licence issued by the President under these by-laws and any person who being licensed by the President under these by-laws acts in contravention of any of the provisions of these by-laws shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one thousand ringgit. It is clear that Fazaruddin was an illegal hawker under the Hawkers By-Laws. But this do not affect his sole proprietorship of the "ZIG ZAG" mark.

(8) A question was posed to the effect that Parkson had used the "ZIG ZAG" mark in 1987 in a big way and had advertised in newspapers throughout Malaysia without objections by Fazaruddin until the enforcement officers raided Parkson. Fazaruddin replied that he did not know this fact. It is interesting to note that Law Boon Eng in his several affidavits did not depose that Fazaruddin did not object to the advertisements of the "ZIG ZAG" mark in the newspapers throughout Malaysia and it is apparent that this method of questioning was meant to not only cloud the issue but also to confuse Fazaruddin.

Under re-examination, Fazaruddin testified and re-iterated the same set of facts. It was at this stage that the "segulung label which he sold in 1986" was marked as Exh. "R3". He identified Muthalib as his witness who saw him made "R3". He agreed that before 23 October 1992 he carried out his business without being registered. The original invoices for the "ZIG ZAG" mark products were marked as "R4".

Muthalib was the last witness called to the stand by Fazaruddin for cross-examination.

Under examination-in-chief, Muthalib agreed as to the contents of his surat akuan. He testified that at that time he was working at Soultex (should be spelt as Soutex) as a printer. Fazaruddin too, according to him, was working there. He said that he worked there from 1981 to 1984 and he knew that Fazaruddin participated in the logo competition. At that time Rahim was the supervisor of Soultex (should be spelt as Soutex) and his name can be seen at Exh. "F1(B)" of Encl. 13.

Under cross-examination, Muthalib said that Fazaruddin was his good friend and they knew each other since school days. He said that there was an "alat cetak" for the "ZIG ZAG" and that "alat cetak" would be placed on a long chair at a house located at Jalan Lian Yen Leong, Batu Pahat which house belonged to his friend by the name of Suleiman. He testified that it was at this house that the printing was done and that Suleiman was not involved at all. White T-shirts were used and for 1986 about 10 dozens (120 pieces) of T-shirts were printed. He said that he helped Fazaruddin in printing the T-shirts and that there were two others who helped but he had forgotten their names. Fazaruddin assisted in arranging the shirts. The size of the "pencetak" was about 1½ feet by 1 feet. Muthalib further testified that they printed 10 dozens (120 pieces) of "ZIG ZAG" products by the end of 1984 for sport purposes and these products were not meant for sale. It required four people to print the "ZIG ZAG" mark. After printing they have to dry them. In 1984, there were 100 participants in the sports meet. It was only in 1985 that Muthalib assisted Fazaruddin to print the "ZIG ZAG" mark on T-shirts for sale. Ten dozens (120 pieces) were printed for the duration of four months in 1985. The

printed T-shirts were then sold in night markets at Batu Pahat. Twice in a week, the T-shirts were sold at night markets. Muthalib was unable to remember for how long Fazaruddin sold the T-shirts by himself. He has forgotten the price of each T-shirt. He assisted in printing and the marketing was done by Fazaruddin. He knew A. Rahim as his supervisor and that gentleman was not present in Court today. Muthalib understood the implication of the surat akuan.

There was no re-examination of Muthalib.

I have set out the evidence in some detail so that the perspective of the whole case can easily be seen. I will now consider the issues that surfaced from the affidavits and the oral testimonies of the witnesses.

Common Law User of the Trademark

The basic common law principle is this: the first person who uses a trademark of an appropriate type within a country becomes the proprietor of the mark (*Re Registered Trade Mark 'Yanx' Ex parte Amalgamated Tobacco Corp. Ltd.* [1951] 82 CLR 199 at 203; *Thunderbird Products Corp. v. Thunderbird Marine Products Pty. Ltd.* [1974] 131 CLR 592 at 603; *Moorgate Tobacco Co. Ltd v. Philip Morris Ltd. (No. 2)* 59 ALJR 77 at 83). It is said that a person who becomes proprietor of a trademark in this way is entitled at common law to restrain a person who later commences to use the trademark.

In *General Electric Co. v. General Electric Co. Ltd.* [1972] 1 WLR 729; [1972] 2 All ER 507, Lord Diplock dealt at length with the history of trademarks in England both at common law and under statute and referred to the acquisition of property in a trade mark by use and its loss by disuse. In regard to the Trade Marks Act, 1905 (UK), Neville J had this to say in *Re Kenrick and Jefferson Ltd's. Application* [1909] 26 RPC 641:

> It appears to me on the construction of the Act itself, that the effect of it is by no means to ignore the right of ownership of a trade mark, which has been acquired by user, although there is a prohibition against the recovery of damages, or the prevention of infringement prior to registration. (*ibid,* p. 649).

It has also been said that the use need not be one extending over a great length of time. On this point reference may be made to the case of *Hall v. Barrows* [1863] 32 LJ Ch. 548, where Lord Romilly MR said:

> It has sometimes been supposed that a manufacturer can only acquire such a property in a trade mark as will enable him to maintain an injunction against the piracy of it by others, by means of a long – continued use of it, or, at least, such a use of it as is sufficient to give it a reputation in the market where such goods are sold. But I entertain great doubt as to the correctness of this view of

> the case. The interference of a Court of equity cannot depend on the length of time the manufacturer has used it. If the brand or mark be an old one, formerly used, but since discontinued, the former proprietor of the mark undoubtedly cannot retain such a property in it, or prevent others from using it: but, provided it has been originally adopted by a manufacturer, and continously, and still used by him to denote his own goods when brought into the market and offered for sale, then I apprehend, although the mark may not have been adopted a week, and may not have acquired any reputation in the market, his neighbours cannot use that mark. Were it otherwise, and were the question to depend entirely on the time the mark had been used, or the reputation of it had been acquired, a very difficult, if not insoluble, inquiry would have to be opened in every case, namely, whether the mark had acquired in the market a distinctive character denoting the goods of the person who first used it. (*ibid*, 551).

Applying the principles as distilled from these cases, Fazaruddin can be said to be the common law user of the "ZIG ZAG" mark even though under him the mark did not acquire a reputation in the market or for that matter a distinctive character. All too frequently, the exercise of judgment as to whether a mark is distinctive would entirely be an exercise of discretion: *Yorkshire Copper Works Ltd. v. Registrar of Trade Marks* [1954] 1 All ER 570 at 572; [1954] 1 WLR 554 at 558; 71 RPC 150 at 154, HL; *Smith Kline and French Laboratories Ltd. v. Sterling-Winthrop Group Ltd.* [1975] 2 All ER 578 at 586; [1975] 1 WLR 914 at 922; [1976] RPC 511 at 539, HL). Fazaruddin confined his products using the "ZIG ZAG" mark to the night markets in the Batu Pahat area and later he branched out to Kuala Lumpur and Pulau Pinang. It was in evidence that Fazaruddin authored the "ZIG ZAG" mark as reflected in mark "A" in 1984. Parkson, on the other hand, through Yong Boon Sen sought to show that they were associated with the "ZIG ZAG" mark as far back as 1987 but unfortunately a close scrutiny of the advertisements which were exhibited in Encl. 9 showed Parkson's involvement on 24 February 1989 – a date which was much later than Fazaruddin. Yong Boon Sen's affidavit in Encl. 9 was not tested by cross-examination as compared to Fazaruddin whose several affidavits were dissected when Fazaruddin took the stand in the witness box. Though Law Boon Eng deposed that he relied on Yong Boon Sen's affidavit as his own, in particular as to the contents of Yong Boon Sen's affidavit, the fact remains that Fazaruddin was deprived of cross-examining Yong Boon Sen in the witness box.

In examination-in-chief, Law Boon Eng sought to repair the affidavit of Yong Boon Sen especially that part which showed 24 February 1989 as the date where Parkson was involved in the "ZIG ZAG" mark. This was what Law Boon Eng said.

That mark "B" of Exh. "LBE 2" of Encl. 27 was a representation of the "ZIG ZAG" mark of Parkson as at 10 November 1987. (I must say that if

one looks at mark "B", it is different from mark "A". In mark "B", the words "ZIG ZAG" were written stylishly and there was written within a strip of dark background the words in capital letters, "FUN CASUALS"). In 1991/1992 the "ZIG ZAG" mark was transformed and it took the shape of mark "C" which was clearly different from mark "A". Finally, it was in 1992 that Parkson adopted mark "A" as their own even though on 9 October 1992 Fazaruddin was the legal registered proprietor of mark "A".

In my judgment, applying the common law principle Fazaruddin was the first person to use the "ZIG ZAG" mark on a small scale basis and he must therefore be the proprietor of that mark. Of course as a common law proprietor Fazaruddin was not entitled to restrain a later user who was an honest concurrent user of the same trade mark. An example of this situation would be this: A person who innocently commences to use the trade mark, unaware that this infringes the proprietor's right is said to be an honest concurrent user. At common law neither the proprietor nor the honest concurrent user could restrict the other from using the trade mark, but each could restrain the usurper who used the mark: *G.E. Trade Mark* [1973] RPC 297.

Concurrent User

The crucial question to pose would be this: Was Parkson an honest concurrent user of the "ZIG ZAG" trade mark as reflected in mark "A"? From the recital of the facts, there was evidence that only in 1992 that Parkson progressed ahead and started to use mark "A", the very trade mark which Fazaruddin authored in 1984. The substantial similarity between the mark as used by Parkson in 1992 and that as authored by Fazaruddin in 1984 gave rise to a *prima facie* inference that Parkson copied Fazaruddin: *Re Auvi Trademark; Auvi Pte. Ltd. v. Seah Siew Tee & Anor.* [1992] 1 SLR 639. To put it bluntly, Parkson was a dishonest concurrent user of mark "A".

In statutory form s. 20 of the Trade Marks Act 1976, which is on concurrent use, enacts as follows:

> 20(1) In the case of honest concurrent use or of the circumstances described in para. (c) of subs. (4) of s. 6 or of other special circumstances which, in the opinion of the Court or the Registrar, make it proper so to do, the Court or the Registrar may permit the registration of trade marks which are identical or so nearly resembling each other in respect of the same goods or description of goods by more than one proprietor subject to such conditions, amendments, modifications or limitations, if any, as the Court or the Registrar, as the case may be, may think right to impose.
>
> (2) The Registrar shall not refuse to register a trade mark which is identical to or so nearly resembling another trade mark in the Register if the applicant

of the first-mentioned trade mark or his predecessor in business has continuously used that trade mark from a date before –

(a) the use of that other trade mark by the registered proprietor or his predecessor in business or by a registered user; or

(b) the registration of that other trade mark by the registered proprietor or his predecessor in business.

whichever is the earlier.

Section 20(1) of the Trade Marks Act 1976 covers, *inter alia*, the situation of an honest concurrent user of which Parkson is not one and the Court is given a wide discretion to permit the registration of trade marks which are identical subject to such conditions, amendments, modifications or limitations which the Court may think fit to impose. Since I have held that Parkson was a dishonest concurrent user, s. 20(1) of the Trade Marks Act 1976 cannot be invoked to assist them. Parkson too cannot seek the aid of s. 20(2) of the Trade Marks Act 1976 because they used mark "A" only in 1992 as opposed to Fazaruddin who had authored it in 1984.

Parkson put their case on the ground that the use of the trade mark "ZIG ZAG" as reflected in mark "A" would be likely to deceive or cause confusion to the public contrary to s. 14 of the Trade Marks Act 1976. The test of deceiving or causing confusion was discussed by Lord Upjohn in *Berlei (UK) Ltd v. Bali Brassiere Co. Inc* [1969] 1 WLR 1306; [1969] RPC 472; [1969] 2 All ER 812 where he said:

> What, then, is the test? This must necessarily be a question of fact and degree in every case. I am content in amplification of the test laid down by Evershed J to take the test as in effect laid down by Romer J in *Re Jellinek's Application*. It is not necessary in order to find that a mark offends against s. 11 to prove that there is an actual probability of deception leading to a passing-off or (I add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the Court has to be satisfied not merely that there is a possibility of confusion, it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register. And so *mutatis mutandis* when it is sought to expunge a mark (*ibid* 1324; 496-497; 827-828).

In my judgment, confusion would be likely to prevail if Parkson was allowed to register the "ZIG ZAG" mark like mark "A" as Fazaruddin was, in point of time, already on the register. There would be a strong likelihood of confusion if articles of clothing bearing the same trade mark be put in the market. I hold and it is my judgment that the trade mark number 92/07141 should be

allowed to remain on the register and it should not be expunged and further that the Trade Description Order dated 7 July 1994 should remain and not be set aside.

The House of Lords in the case of *Ge Trade Mark* [1973] RPC 297 considered the issues of deception and confusion at some length. It would be germane to quote some passages from the judgment of Lord Diplock in *Ge Trade Mark* especially at p. 321 to this effect:

> Where the question of the likelihood of deception or confusion arises upon an application to expunge a registered mark which has already been the subject of substantial issue, the absence of evidence of actual confusion having occurred is a potent factor in determining whether or not the Court should exercise its discretion to expunge the mark from the register. But it does not decide the relevant hypothetical question which must be answered in the affirmative before any question of discretion to expunge the mark arises: Would any normal and fair future use of the mark, in the course of trade be likely to cause deception or confusion? If actual confusion in the past is proved, this is a strong indication that continued confusion is likely; but the absence of evidence of past confusion may be accounted for by the small extent to which the mark has been used or by special circumstances affecting its past use which may not continue to operate to prevent confusion in the future.

On the same page of the same judgment, Lord Diplock continued:

> But where goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a 'jury question'. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

In another paragraph of the same judgment, Lord Diplock said this:

> The question does not cease to be a 'jury question' when the issue is tried by a Judge alone or on appeal by a plurality of Judges. The Judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind Judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.

I am constrained to hold and it is my judgment, on the facts of the present case, that, firstly, there was no evidence of actual confusion having occurred by allowing the "ZIG ZAG" mark to remain on the register to enable me to exercise my discretion to expunge that mark from the register. Secondly, applying the common law usage, Fazaruddin was the first person to use the "ZIG ZAG" mark. Thirdly, as a registered proprietor of the "ZIG ZAG" mark as reflected in mark "A", Fazaruddin has the exclusive right to use that mark. It has been said that registration asserts a title against the world: *Re J Crosfield & Sons Ltd.* [1910] 1 Ch. 130, 26 RPC 837, CA ("Perfection"); *Re California Fig Syrup Co*. [1910] 1 Ch. 130, 26 RPC 846, CA ("California Syrup of Figs"); *Trade Marks Registrar v. W. and G. Du Cros Ltd.* [1913] AC 624, 30 RPC 660, HL. Fourthly, there was no evidence to show that the entry on the register was an entry made without sufficient cause as to entitle this Court to expunge it as it thinks fit.

Fraud

It was Parkson's stand that as a reputable chain of departmental store they would not resort to knowingly and fraudulently using Fazaruddin's trade mark.

On his part, Fazaruddin denied that he had wrongly and/or fraudulently registered the "ZIG ZAG" mark in his name and categorically put Parkson to strict proof thereof. It is a correct statement of the law to say that neither law nor equity would assist a fraudulent trade: *ex turpi causa non oritur actio* (no right of action arises from a bad cause). *In Scott v. Brown Doering McNab & Co.* [1892] 2 QB 724 at 728; [1891-4] All ER Rep. 654 at 657, Lindley LJ said:

> *Ex turpi causa non oritur actio*. This old and well-known legal maxim is founded in good sense and expresses a clear and well-recognised legal principles, which is not confined to indictable offences. No Court ought to enforce an illegal contract or allow itself to be made the instrument of enforcing obligations alleged to arise out of a contract or transaction which is illegal, if the illegality is duly brought to the notice of the Court, and if the person invoking the aid of the Court is himself implicated in the illegality. It matters not whether the defendant has pleaded the illegality or whether he has not. If the evidence adduced by the plaintiff proves the illegality the Court ought not to assist it. If authority is wanted for this proposition, it will be found in the well-known judgment of Lord *Mansfield in Holman v. Johnson* [1775] 1 Cowp. 341, (1775-1802) All ER Rep. 98).

The question to pose is this: Was there an illegal contract between Fazaruddin and Parkson? The answer is in the negative. Here was a case of expunging the "ZIG ZAG" mark as reflected in mark "A" by Parkson. There was no illegality at all when Fazaruddin authored mark "A". Now, if Fazaruddin

fraudulently or deceptively use the "ZIG ZAG" mark it would be a ground for its removal from the register. The right way to decide the matter would be to pose this crucial question: Has Fazaruddin in protecting his proprietorship over the "ZIG ZAG" trade mark been guilty of a material misrepresentation calculated to mislead the public? Three examples of the kind of material misrepresentations calculated to mislead the public may be cited here. The first would be the case of *Leather Cloth Co. Ltd. v. American Leather Cloth Co. Ltd.* [1865] 11 HL Cas 523 at 542, 543 where a misrepresentation that the plaintiff was a patentee contained in invoices and advertisements was treated as a collateral misrepresentation not disentitling him to an injunction although affecting his right to an account. The second would be the case of *Pomeroy Ltd. v. Scale* [1906] 24 RPC 177 at 192 where the representation was that the defendant was the plaintiff's manager after the defendant had ceased to be such. The third is the case of *Plotzker v. Lucas* [1907] 24 RPC 551 at 562 where it was misrepresented that the plaintiffs were actual manufacturers.

On the facts there was no material to show fraud on Fazaruddin's part when he registered the "ZIG ZAG" mark as reflected in mark "A" as his own. In my judgment in the absence of fraud, it was not unlawful for Fazaruddin to become the registered proprietor of mark "A". Here is a classic case of an enterprising individual who succeeds in creating mark "A" and uses it on articles of clothing purely to earn a living. Must his ingenuity be construed fraudulent so as to strike at the very core of the register! It is an insult to intelligence if this Court were to hold that Fazaruddin's ingenuity constituted fraud, Mark "A" should remain on the register.

Other Issues

It was submitted that Fazaruddin committed perjury against this Court when he said that he applied to register his "ZIG ZAG" mark at the Kementerian Perdagangan Dalam Negeri by letter dated 23 January 1986 and the said Kementerian acknowledged receipt on 26 January 1986 (see the letter as produced in the early part of this judgment). In regard to this letter, I was asked to take judicial notice of the following set of facts:

(1) that 26 January 1986 was a Sunday;

(2) that the Kementerian Perdagangan Dalam Negeri was not established until 1990 after the general election of that year;

(3) that Menara Mayban, the address of the said Kementerian was not completed until 1987 and it was officially declared open by the Honourable Prime Minister in June 1988.

On judicial notice, there are a string of authorities. Suffice for this exercise that a few of them would be referred to. Thus, in W*haley v. Carlisle* 17

ICLR 792 the Court took judicial notice that Lord Hawkesbury had been Foreign Minister in 1803. In *Yong Pak Yong v. Public Prosectutor* [1959] 25 MLJ 176 the Court there took judicial notice of "what is notorious, of what everybody knows." The Court in *Pang Ah Chee v. Chong Kwee Sang* [1985] 1 MLJ 153 FC took judicial notice that Chinese funeral expenses would normally be incurred. Finally, *Pembangunan Maha Murni Sdn Bhd v. Jururus Ladang Sdn. Bhd.* [1986] 2 MLJ 30 SC, the then Supreme Court took judicial notice of custom or usage.

Paragraphs (2) and (3) as stated above were ventilated in an affidavit affirmed by Law Boon Eng on 15 March 1996 as reflected in Encl. 30. It was on 19 March 1996 that Encl. 30 was filed. Muthalib took the stand on 15 February 1996 and was cross-examined. When the case came up for continued hearing on 19 March 1996, M. Nathan for Fazaruddin told the Court that he was not calling Boo Ah Lek and, consequently, he was not relying on Boo Ah Lek's surat akuan as reflected in Encl. 13 Exh. "F3". M. Nathan too took up an objection and he submitted that Encl. 30 ought not to be considered by this Court as it came too late in the day. All the deponents to the affidavits have taken the stand and been cross-examined.

It must be stated here that Encl. 30 was filed to rebut Encl. 13 especially Exh. "F4". Exhibit "F4" is the letter from Fazaruddin to the Kementerian Perdagangan Dalam Negeri. Enclosure 13 was filed on 9 March 1995 whereas Encl. 30 was filed on 19 March 1996 – a delay of 1 year 10 days. It was argued that Parkson had ample time to file Encl. 30 yet they chose to do so after a long delay and after all the deponents have been cross-examined. In *Yah binti Aji v. Fatimah binti Haji Mohamed Ariffin & Ors.* [1969] 2 MLJ 186 where after the close of the case for the defendants, an application was made to call further evidence for the defence. Counsel for the defendants said that he had unearthed certain evidence which was not only material to the claim but would perhaps be decisive. It was held that the defendant had not shown that the evidence sought to be adduced could not have been obtained with reasonable diligence for use at the trial and therefore the application must be dismissed. Chang Min Tat J adopted the statement of law propounded by Denning LJ in the case of *Ladd v. Marshall* [1954] 1 WLR 1489 to the following effect:

> To justify the reception of fresh evidence or a new trial, three conditions must be fulfilled: first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial; secondly, the evidence must be such that, if given, it would probably have an important influence on the result of the case, though it need not be decisive; thirdly, the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible.

Just like Chang Min Tat J in *Yah binti Aji (supra)*, I too hold that though the second and third conditions may have been fulfilled (here I express no firm opinion), the first condition was not satisfied and, consequently, Encl. 30 will not be considered by me. Now. even if I were to consider Encl. 30 it would not make a difference in that on several occasions Fazaruddin in his affidavits and also while he was in the witness box categorically stated that he used and designed mark "A" in 1984. I have no hesitation in accepting Fazaruddin as a truthful witness. Even though Fazaruddin admitted that he was not able to tender proof that he designed mark "A" in 1984 because all the clothes that bore that mark had been sold, yet he re-emphasised the factual situation by saying that in 1983 he merely had the words "ZIG ZAG" in mind and by 1984 he designed mark "A" and used the same for the sports meet at Bandartex. Though Muthalib testified in examination-in-chief that he was working at Soultex (should be spelt as "Soutex") with Fazaruddin between 1981 to 1984 and that he confirmed Fazaruddin's participation in the logo competition, it was sought to argue that Fazaruddin stated that he worked at Bandartex and not at Soultex (to be spelt as "Soutex") and, consequently, the evidence of Fazaruddin ought not to be believed. I beg to disagree. In Encl. 13 Exh. "F1(B)" it clearly showed that both Soultex (to be spelt as "Soutex") and Bandartex were subsidiaries of Berjaya Textitles Berhad. If proof was required that the "ZIG ZAG" mark was used by Fazaruddin there was an invoice dated 26 March 1985 in exhibit "F8" of Encl. 13 which bore this legend (a translation): "20 pasang skirt ketat dengan jenama 'ZIG ZAG'." I am even prepared to accept the "satu gulung label 'ZIG ZAG'" tendered by Fazaruddin as Exh. "R3" which according to Fazaruddin was made in 1986 as gospel truth. On the other hand we have the affidavit of Yong Boon Sen in Encl. 9 which deposed that Parkson had the "ZIG ZAG" mark as reflected in mark "B" in its stable on 10 November 1987. An advertisement exhibited in Encl. 9 at p. 38 thereof and marked as Exh. "P3" showed the date as 24 February 1989. Thus, if we talk about common law usage Fazaruddin had used the "ZIG ZAG" mark earlier in point of time than Parkson.

Next, there was an oral application by Parkson to call a handwriting expert to ascertain whether the words "ZIG ZAG" that appeared in Exh. "F8" in Encl. 13 were written by the same person that wrote the words "ZIG ZAG" in Exh. "F4" (marked as P2) of Encl. 13. The oral application was made on 15 February 1996 after Fazaruddin had been cross-examined and before Muthalib took to the stand. It must not be forgotten that cross-examinations of the deponents of the affidavits were allowed by this Court pursuance to such applications in Encls. 20 and 25. For Fazaruddin it was argued that if the oral application was allowed it would open the floodgate and Fazaruddin too would be interested in putting to the stand an officer from the Kementerian Perdagangan Dalam Negeri. There would not be any finality to the right to

cross-examine. I have no hesitation in refusing the oral application to call a handwriting expert as I felt that there should be finality in litigation. *Jacob v. Public Prosecutor* as reported in [1949] 15 MLJ 70 can easily be distinguished and is not an authority for Parkson to use in support of their application to call the handwriting expert. Jacob was a criminal case and it decided that the Court may call further evidence even after the close of the defence if the evidence appears to be essential to the just determination of the case, but should the further evidence prove adverse to the accused then opportunity must be afforded the defence to cross-examine and to call evidence in rebuttal.

Damages

Since judgment should rightly go to Fazaruddin. the prayer by Parkson for damages to be assessed by the Registrar must fail.

For the reasons adumbrated above, I dismissed Encl. 10 paras. 3 (a), (b) and (c) with costs.

Reported by VT Singam